



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-109]

Ceramic Tile from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on ceramic tile from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Yasmin Bordas, Moses Song, or John McGowan, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3813, (202) 482-7885, or (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with section 705(d) of the Tariff Act of 1930, as amended (Act), on February 28, 2020, Commerce published its affirmative final determination that countervailable subsidies are being provided to producers and exporters of ceramic tile from China.¹ On May 21, 2020, the ITC notified Commerce of its final determination that an industry in the United

¹ See *Ceramic Tile from the People's Republic of China: Final Affirmative Countervailing Duty Determination, and Final Negative Critical Circumstances Determination*, 85 FR 19440 (April 7, 2020) (*Final Determination*), and accompanying Issues and Decision Memorandum (IDM).

States is materially injured within the meaning of 705(b)(1)(A)(i) of the Act by reason of subsidized imports of subject merchandise from China.²

Scope of the Order

The products covered by this order are ceramic tile from China. For a complete description of the scope of this order, *see* the appendix to this notice.

Countervailing Duty Order

On May 21, 2020, in accordance with sections 705(b)(1)(A)(i) and 705(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that an industry in the United States is materially injured by reason of subsidized imports of ceramic tile from China.³ Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing this countervailing duty order. Because the ITC determined that imports of ceramic tile from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

Therefore, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of ceramic tile from China, which are entered, or withdrawn from warehouse, for consumption on or after September 12, 2019, the date of publication of the *Preliminary Determination*,⁴ but will not include entries occurring after the

² See Letter to Jeffrey Kessler, Assistant Secretary of Commerce for Enforcement and Compliance, from David S. Johanson, Chairman of the U.S. International Trade Commission, dated May 21, 2020.

³ *Id.*

⁴ See *Ceramic Tile from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination, Preliminary Negative Critical Circumstances Determination, and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 FR 48125 (September 12, 2019) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

expiration of the provisional measures period and before the publication of the ITC's final injury determination under section 705(b) of the Act, as further described below.

Suspension of Liquidation

In accordance with section 706 of the Act, we will instruct CBP to reinstitute the suspension of liquidation of ceramic tile from China as described in the appendix to this notice, effective on the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further instruction by Commerce, pursuant to section 706(a)(1) of the Act, countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rates below for the subject merchandise. On or after the date of publication of the ITC's final injury determination in the *Federal Register*, CBP must require, at the same time as importers would normally deposit estimated duties on this merchandise, a cash deposit equal to the rates noted below. The all-others rate applies to all producers or exporters not specifically listed below.

Company	Subsidy Rate (percent)
Temgoo International Trading Limited	358.81
Foshan Sanfi Imp & Exp Co., Ltd. ⁵	358.81
All Others	358.81

Provisional Measures

Section 703(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months. In the underlying investigation, Commerce published the *Preliminary Determination* on September 12, 2019. As such, the four-month period beginning on the date of the publication of the *Preliminary*

⁵ As discussed in the PDM, Commerce found that Foshan Sanfi Imp & Exp Co., Ltd. to be crossed-owned with Guangdong Sanfi Ceramics Group Co., Ltd. See *Preliminary Determination*, 84 FR at 48126, and PDM at 8-9 (unchanged in *Final Determination*, 85 FR at 19442, and IDM at 4).

Determination ended on January 9, 2020. Furthermore, section 707(b) of the Act states that definitive duties are to begin on the date of publication of the ITC's final injury determination.

Therefore, in accordance with section 703(d) of the Act, we instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of ceramic tile from China entered, or withdrawn from warehouse, for consumption, after January 9, 2020, the date on which the provisional measures expired, until and through the day preceding the date of publication of the ITC's final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC's final determination in the *Federal Register*.

Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to ceramic tile from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: May 26, 2020.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Order

The merchandise covered by the order is ceramic flooring tile, wall tile, paving tile, hearth tile, porcelain tile, mosaic tile, flags, finishing tile, and the like (hereinafter ceramic tile). Ceramic tiles are articles containing a mixture of minerals including clay (generally hydrous silicates of alumina or magnesium) that are fired so the raw materials are fused to produce a finished good that is less than 3.2 cm in actual thickness. All ceramic tile is subject to the scope regardless of end use, surface area, and weight, regardless of whether the tile is glazed or unglazed, regardless of the water absorption coefficient by weight, regardless of the extent of vitrification, and regardless of whether or not the tile is on a backing. Subject merchandise includes ceramic tile with decorative features that may in spots exceed 3.2 cm in thickness and includes ceramic tile “slabs” or “panels” (tiles that are larger than 1 meter² (11 ft.²)).

Subject merchandise includes ceramic tile that undergoes minor processing in a third country prior to importation into the United States. Similarly, subject merchandise includes ceramic tile produced that undergoes minor processing after importation into the United States. Such minor processing includes, but is not limited to, one or more of the following: beveling, cutting, trimming, staining, painting, polishing, finishing, additional firing, or any other processing that would otherwise not remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope product.

Subject merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheadings of heading 6907: 6907.21.1005, 6907.21.1011, 6907.21.1051, 6907.21.2000, 6907.21.3000, 6907.21.4000, 6907.21.9011, 6907.21.9051, 6907.22.1005, 6907.22.1011, 6907.22.1051, 6907.22.2000, 6907.22.3000, 6907.22.4000, 6907.22.9011, 6907.22.9051, 6907.23.1005, 6907.23.1011, 6907.23.1051, 6907.23.2000, 6907.23.3000, 6907.23.4000, 6907.23.9011, 6907.23.9051, 6907.30.1005, 6907.30.1011, 6907.30.1051, 6907.30.2000, 6907.30.3000, 6907.30.4000, 6907.30.9011, 6907.30.9051, 6907.40.1005, 6907.40.1011, 6907.40.1051, 6907.40.2000, 6907.40.3000, 6907.40.4000, 6907.40.9011, and 6907.40.9051. Subject merchandise may also enter under subheadings of headings 6914 and 6905: 6914.10.8000, 6914.90.8000, 6905.10.0000, and 6905.90.0050. The HTSUS subheadings are provided for convenience and customs purposes only. The written description of the scope of the order is dispositive.

[FR Doc. 2020-11722 Filed: 5/28/2020 8:45 am; Publication Date: 6/1/2020]